

Explanation of FSSA Cost Build Up for the 2011/2012 Rate Period

2010/11 rates are the basis for 2011/12 rates. The 2011/12 rates were calculated by increasing the 2010/11 rates by 0.4262% and adjusting for the new mandates: 1) Minimum Dataset 3.0, 2) Aerosol Transmissible Disease Vaccine and Training Requirement, 3) the increase in the Quality Assurance Fee, and, 4) the increase in the License Fee Per Diem¹. Facility Specific Identifying Information for the “2011.12 FSSA Cost Build Up.xls” includes:

- I. Facilities (columns A through C):** Office of Statewide Health Planning and Development (OSHPD) ID, the National Provider Identifier (NPI) that corresponds to each OSHPD ID, and facility name.
- II. Days (columns D through F).**
 - a. Column D** is each facility’s audited total Freestanding Subacute (adult) days based on each facility’s fiscal period ending 2009 OSHPD Report.
 - b. Column E** is each facility’s audited Medi-Cal Non-ventilator dependent days.
 - c. Column F** is each facility’s audited Medi-Cal Ventilator dependent days..
- III. Column G** is the average licensed FSSA beds reported on each facility’s fiscal period ending 2009 audit.
- IV. Old Mandates (columns H through I).**
 - a. Column H** is each facility’s 2010/11 License Fee Per Diem
 - b. Column I** is each facility’s 2010/11 Quality Assurance Fee
- V. Non-vent Rates (columns J through M).**
 - a. Column J** is the 2010/11 non-vent rate.
 - b. Column K** is the 2010/11 non-vent “recomp rate” which is the recalculated rate resulting from a revised audit appeal.
 - c. Column L** contains either the non-vent recomp rate or the 2010/11 non-vent rate, if there is no recomp rate.
 - d. Column M** contains the Rate with Percentage Increase. The percentage increase for the 2011/12 rate year is 0.4262%. Column L is multiplied by 1.004262.

¹ Assembly BillX1 19 stated that the facility-specific reimbursement rates effective 8/1/2011 would be based on the rates calculated for 2010/11, increased by 0.4262% and adjusted for new state and federal mandates.

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VI. New Mandates (columns N through Q).

- a. **Column N** contains the Minimum Data Set 3.0 (MDS) add-on of \$1.24 Per Diem.
- b. **Column O** contains the Aerosol Transmissible Disease Vaccine and Training Mandate (ATD) add-on of \$0.86 Per Diem.
- c. **Column P** contains the 2011/12 Quality Assurance Fee (QA Fee). Each facility that is assessed the QA Fee in 2011/2012 will be reimbursed for the Medi-Cal portion of its fee.
- d. **Column Q** contains the 2011/12 License Fee Per Diem. This amount is calculated by using the facility's average licensed FSSA beds (column G) multiplied by the fee per bed (\$297.14 effective 8/1/2011). The total fee amount is divided by the facility's audited total FSSA days to arrive at the pass-through per diem amount.

VII. 2011/12 Rates

- a. **Column R** contains the final Non-vent rate. The final rate is calculated by adjusting the 2010/11 Non-vent rate (increased by 0.4262%) for the change in the cost to the facility to comply with new state and federal mandates. For 2011/2012, new mandates include the MDS add-on, the ATD add-on, the difference in the nursing facility Quality Assurance Fee amount between 2010/2011 and 2011/2012, and the difference in the License Fee Per Diems between 2010/2011 and 2011/2012. This rate is prior to the 10% payment reduction.
- b. **Column S** contains in the 2011/12 ventilator equipment Per Diem of \$34.90
- c. **Column T** contains the final Vent rate. It is the sum of the final Non-vent rate and the ventilator equipment Per Diem.

VIII. Column U and Column V contain the Estimated Non-Vent payments and Estimated Vent Payments respectively. The Estimated Medi-Cal payments are prior to the 10% payment reduction. The sum of the payments is used in calculating the weighted average rate for FSSA facilities new to the Medi-Cal program.

IX. 10 percent payment reduction

- a. Assembly Bill (AB) 97 (Chapter 3, Statutes of 2011) implemented a 10 percent payment reduction to long-term care facilities effective June 1, 2011. In addition, ABX1 19, (Chapter 4, Statutes of 2011), terminates the 10 percent reduction on August 1, 2012 and provides a

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supplemental payment in the 2012-13 rate year that is equivalent to the 10 percent reduction applied from June 1, 2011 to July 31, 2012.